

SENATE BILL 3377

By Stewart

AN ACT to amend Tennessee Code Annotated, Title 54,
Chapter 21 and Title 67, Chapter 6, relative to golf
courses.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 54-21-103, is amended by deleting the present language in its entirety and by substituting instead the following language:

(a) No outdoor advertising shall be erected or maintained within six hundred sixty feet (660') of the nearest edge of the right-of-way and visible from the main traveled way of the interstate or primary highway systems in this state, unless otherwise prohibited by subsection (b), except the following:

(1) Directional or other official signs and notices including, but not limited to, signs and notices pertaining to natural wonders, scenic and historical attractions that are authorized or required by law;

(2) Signs, displays and devices advertising the sale or lease of property on which they are located;

(3) Signs, displays and devices advertising activities conducted on the property on which they are located;

(4) Signs, displays and devices located in areas that are zoned industrial or commercial under authority of law and whose size, lighting and spacing are consistent with customary use as determined by agreement between the state and the secretary of transportation of the United States; and

(5) Signs, displays and devices located in unzoned commercial or industrial areas as may be determined by agreement between the state and the

secretary of transportation of the United States and subject to regulations promulgated by the commissioner.

(b) No outdoor advertising promoting public owned golf courses may be erected or maintained within the right-of-way and visible from the main traveled way of the interstate or primary highway systems of this state.

SECTION 2. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following language as a new, appropriately designated section:

67-6-399.

(a) The sale at retail, lease, rental, use, consumption, distribution, repair, storage for use or consumption in this state of the following tangible personal property is specifically exempted from the tax imposed by this chapter when sold to a qualified golf course operator in accordance with subsection (e):

(1) Any appliance used directly and principally for the purpose of producing or maintaining the premises of the golf course, including turf grass, but excluding an automobile, truck, household appliances or property that becomes real property when erected or installed;

(2) Trailers used to transport mowing and lawn care equipment;

(3) Self-propelled fertilizer or chemical application equipment used to spread fertilizer or chemical on golf courses to aid in the quality of turf grass, notwithstanding the fact that the equipment may be mounted on a chassis with wheels, if the equipment is not designed for over-the-road use, but may be driven over-the-road from the source of supply to the golf course, and tender beds and spreader beds, even if mounted on a truck chassis;

(4) Systems for weed control and irrigation;

(5) Replacement parts or labor relative to the repair of the tangible personal property described in subdivisions (a)(1) - (5);

(6)

(A) Gasoline or diesel fuel used for golf course purposes, except that pre-mixed engine fuel containing gasoline and oil, produced for use in two-cycle engines and not for use in the propulsion of an aircraft, vessel or any other vehicle, that is sold in containers of one gallon (1 gal.) or less, is not exempt from the tax imposed by this chapter;

(B) For purposes of subdivision (a)(6)(A), “diesel fuel” means any petroleum distillate with at least twelve (12) to sixteen (16) carbon atoms per molecule that has a boiling point of between three hundred fifty degrees Fahrenheit (350° F) and six hundred fifty degrees Fahrenheit (650° F) or any petroleum distillate that is ordinarily and customarily sold and used as a source of fuel for diesel engines;

(7) Seeds, seedlings, plants grown from seed and liners or cuttings that will be located on a golf course;

(8) Fertilizer to be used to aid in the growth and development of seeds, seedlings or plants, as described in subdivision (a)(7);

(9)

(A) Pesticides that are sold for the purpose of aiding in the maintenance of turf grass, trees or plants located on a golf course;

(B) As used in this section, “pesticide” means any substance or mixture of substances or chemicals intended for defoliating or desiccating plants or for preventing, destroying, repelling or mitigating any insects, rodents, fungi, bacteria or weeds, including, but not limited to, insecticides, fungicides, bactericides, herbicides, desiccants, defoliants, plant regulators and nematocides;

(10) Containers and plastic or canvas used in the care and raising of plants, seeds or seedlings, as described in subdivision (a)(7), and plastic or canvas used in covering any storage structures;

(11) Adjuvants and surfactants solutions sold exclusively for the purpose of mixture with insecticides, pesticides, fungicides or herbicides or for use as a soil conditioner when the solutions are intended to aid in the growth and development of turf grass, plants, seeds or seedlings, as described in subdivision (a)(7);

(12) Electricity, natural gas and liquefied gas, including, but not limited to, propane and butane used directly in the development or maintenance of a golf course;

(13) Coal, wood, wood products or wood byproducts, or fuel oil, which is used as energy fuel in production of any nursery for turf grass, seeds, seedlings or plants as described in subdivision (a)(7).; and

(14) Golf carts purchased for use by persons using a golf course.

(b) Persons seeking to become qualified golf course operators shall apply to the commissioner for authority to make purchases exempt from tax. This application shall require information that the commissioner deems necessary. If the commissioner finds from the information that the applicant is entitled to be a qualified golf course operator, the commissioner shall issue a certificate granting the authority for a period of four (4) years, or until the applicant is no longer operating within the scope of its original application. Any misrepresentation made on the application by the applicant shall subject the applicant to any applicable tax, penalty and interest.

(c) Persons who have obtained authority from the commissioner to make purchases tax exempt as a qualified golf course operator shall provide their vendors with

a copy of the certificate issued by the commissioner or a fully completed streamlined sales tax certificate of exemption, which must include the exemption authorization number included on the certificate issued by the commissioner, to evidence qualification for the exemption.

(d) Persons making purchases exempt from tax under this section shall keep records to establish that the property qualifies for the exemption. The purchaser shall be liable for tax, penalty and interest for making nonqualifying purchases without payment of tax.

(e) For purposes of this section, "a qualified golf course operator" means a person who meets one (1) or more of the following criteria:

(1) The person is the owner or lessee of real property from which one thousand dollars (\$1,000) or more of sales of services or products related to the sport of golfing were made during the year, including payments from government sources;

(2) The person is in the business of providing golfing facilities, including the use of one (1) or more golf courses, to the public for a fee; and

(3) The person otherwise establishes to the satisfaction of the commissioner that the person is actively engaged in the business of operating a golf course.

SECTION 3. This act shall take effect July 1, 2012, the public welfare requiring it.